



FOR IMMEDIATE RELEASE

April 12, 2008

FACT SHEET

FY09 Budget Week

SANDERS' FY09 BUDGET INCLUDES FUNDING FOR CRITICAL FIRE-RESCUE PROJECTS, AGREEMENT WITH FIRE FIGHTERS UNION

Mayor Jerry Sanders' FY09 budget will dedicate \$188,252,919 to the San Diego Fire-Rescue Department, an amount that includes funding for several critical projects intended to keep our community safe and better prepared for future wildfires:

- \$2.3 million to fund operation and staffing of a **second emergency services helicopter;**
- **\$1,335,248 for new equipment and supplies;**
- **Six Code Compliance Officers to help monitor and address brush and weed abatement** on private property. The additional staff will help satisfy a key recommendation in the After-Action Report regarding the 2007 Wildfires.

Since Mayor Sanders took office, he has increased funding for the San Diego Fire-Rescue Department by 60% (through FY08 – does not include FY09 budgetary enhancements).

These funds have allowed the Department to:

- Add 30 new vehicles to their fleet;
- Outfit rigs with mobile computers;
- Purchase new state of the art radio systems so that they can communicate with one another and other fire agencies; and
- Add critical firefighting and life safety equipment.

The Mayor's budget will also include **a raise for firefighters**. Because San Diego Fire-Rescue Department personnel have not received a raise in four years, they are now near the bottom of

the compensation ladder when compared to other competing departments. This dynamic creates the potential for recruitment and retention problems in the future.

The one year agreement with the International Association of Firefighters Local 145 (Local 145) also continues the health care reforms introduced by the Mayor last year. The general terms of the agreement were unanimously adopted by Local 145's Board of Directors this week and will be presented to the City Council on Monday.

SALARY AND BENEFIT IMPROVEMENTS

- **The one year agreement calls for a 3% salary increase for all Local 145 members effective July 1, 2008. All represented classifications will receive an additional 2% increase effective September 1, 2008.** The cost of these salary increases for fiscal year 2009 is \$4,600,000.00.
- **This contract continues the health care reforms introduced by the Mayor last year by improving health care coverage for Fire-Rescue employees at less expense to taxpayers.**
- The agreement provides for the following changes in coverage for health and dental insurance:

Local 145	<u>Current Coverage</u>	Current Employee Contribution	Current Residual Flex Dollars	<u>Proposed Coverage</u>	Proposed Employee Contribution	Proposed Residual Flex Dollars
Waiver	\$1000.00	N/A	\$1000.00	\$1500.00	N/A	\$1500.00
EE	100%	\$0.00	\$1056.00	100%	\$0.00	\$1215.00
EE+1	100%	\$0.00	\$406.00	100%	\$0.00	\$64.00
EE+Children	N/A	N/A	N/A	100%	\$0.00	\$502.00
EE+Family	75%	\$1930.00	\$0.00	88%	\$1304.00	\$0.00

- The outline above reflects the rates and percentages should an employee choose Kaiser. Should an employee choose an HMO, the coverage will be 100% for a single employee, 80% for an employee covering themselves and children, 75% for an employee and spouse or domestic partner, and, finally, 65% coverage for an employee plus family. Regardless of the providers chosen, as with Kaiser, this change will result in a significant reduction in out of pocket costs for employees in the coming year.
- Mayor Sanders is committed to continuing the reform of employee benefits he initiated last year with POA, Local 145 and the Deputy City Attorney's Association. **As a result of the consolidation of insurers (10 to 7) and health plans (21 to 13) last year, the City saved almost \$1 million. The further consolidation across all bargaining units in FY09 would help the City avert the economic ravages of a 15% premium increase by insurers.**

ENSURING THAT SALARIES AND BENEFITS ARE COMPETITIVE

- Certain Fire-Rescue classifications saw significant shifts in where their compensation fell in comparison to other agencies. The salary and benefit changes contained in the tentative agreement do have a positive impact on San Diego firefighters' take home pay and where it falls in relation to other jurisdictions.

Classification	FY07 Percentile Rank	FY08 Percentile Rank	FY09 Contract Percentile Rank	Difference from FY08
Fire Recruit	0 percentile*	13 percentile	25 percentile	12 percent
Firefighter I I**	26 percentile	7 percentile	29 percentile	22 percent
Fire Engineer	36 percentile	30 percentile	45 percentile	15 percent
Captain	36 percentile	35 percentile	40 percentile	5 percent
Battalion Chief	10 percentile	5 percentile	5 percentile	0 percent
Fire Prevention Inspector II	72 percentile	67 percentile	89 percentile	22 percent
EMT	67 percentile	33 percentile	33 percentile	0 percent
Dual Role FF/Paramedic	58 percentile	22 percentile	39 percentile	17 percent

* On a scale of 100/higher the percentile the better

** Most Firefighters are FFII's

- The agreement calls for the City and Local 145 to jointly request that the Personnel Department and the Civil Service Commission study the compensation levels for Battalion Chiefs and Fire Recruit in order to address how to best remain competitive with other agencies for these positions.
- Last year, the Mayor promised to closely monitor the recruitment and retention situation in the Fire-Rescue Department. At that time, he made clear that his administration would not allow the Fire-Rescue Department to fall into the same retention crisis that the San Diego Police Department (SDPD) experienced. The early signs of that crisis were ignored by previous administrations and culminated in SDPD losing significant numbers of officers before the Mayor initiated an aggressive recruitment and retention plan.
- The Fire-Rescue Department has begun losing experienced firefighters to other agencies and at a higher rate than in previous years. From FY 2004 to FY 2007, Fire-Rescue lost only six firefighters to other agencies. With FY 2008 drawing to a close, San Diego Fire-Rescue has seen eight firefighters leave for other agencies. Among those leaving, overall compensation was cited frequently as the primary factor in their decision.

MAYOR TO FILE LAWSUIT ON DROP AND PURCHASE OF SERVICE CREDITS

Earlier this week, Mayor Sanders announced that he will initiate a lawsuit to resolve whether or not the DROP Program and the Purchase of Service Credits (PSC's) are vested benefits. This agreement, like that of the Police Officers Association (POA), also contains language acknowledging the City's right to bring this action.

While DROP and PSC's for the purposes of vesting into the retirement system were eliminated for employees hired after July 1, 2005, these benefits are still in place for employees hired before that date. It has been and continues to be the position of the Mayor that DROP and PSC's for those employees are not "vested" benefits and should be eliminated.

All of the City's unions, including Local 145, strongly disagree and insist that these benefits are vested. Indeed, language was added to the MOUs of POA, Fire Local 145, AFSCME Local 127 and MEA in 1997 that states, "A member is 100% vested in the DROP from its inception." The Mayor does not believe that this sentence binds the City.

Language in the MOUs, the legislative history of both of these benefits as well as how changes to these benefits have been handled have raised the question of whether or not these benefits are truly vested. **If an imposed agreement were later found to have included the elimination of a vested benefit, it could very well jeopardize the entire agreement including all of the reforms critical to taxpayers. To protect the taxpayers' interests, it's prudent for the Mayor to resolve these issues outside of the context of the agreement and initiate a lawsuit to resolve this issue once and for all.**

OTHER KEY COMPONENTS OF THE AGREEMENT

- The agreement clears the way for San Diego Fire-Rescue to participate in the "Safe Surrender Program". This program allows the anonymous drop off of newborn infants less than 72 hours old at fire stations.
- The agreement provides for additional safety equipment for Fire-Rescue Personnel in the Department's Air Operations, Metro Arson Strike Team (MAST) and Special Tactics and Rescue (STAR) teams.

SANDERS COMMITTED TO PUBLIC SAFETY

Funding for the City's public safety departments will increase in the Mayor's FY09 budget. The Mayor has included more funding for the City's Police and Fire/Rescue Departments in each of the balanced budgets he has delivered since taking office.

PUBLIC SAFETY BUDGET ALLOCATIONS

Function	FY 2007	FY 2008	FY 2009
Fire-Rescue Department	\$169,509,660	\$179,943,098	\$188,252,919
Police Department	360,134,725	392,336,695	409,199,362
Combined Budgets	\$529,644,385	\$572,279,793	\$597,452,281

In addition to the enhancements previously detailed for the Fire-Rescue Department, the Mayor's budget will include the following budgetary enhancements for the San Diego Police Department:

- Funds to support raises for Police Officers;
- \$7 million to pay for new recruits scheduled to graduate from the Public Safety Academy during FY09.
- \$894,161 for replacing aging mobile computer terminals and costs for new wireless modems used by all sworn Police officials.